

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

In the Matter of:)	Docket No. HSA-A-01/02-052
)	
Former site of Angeles)	Clean Loans and Environmental
Chemical Company, Inc.)	Assistance to Neighborhoods Program
8915 Sorensen Avenue)	(CLEAN) Response Action Agreement
Santa Fe Springs, California 90670)	
)	Health and Safety Code
)	Section 25355.5(a)(1)(C)
Borrower:)	and Section 25395.25(b)
Greve Financial Services, Inc.)	
4521 West First Street)	
Santa Ana, California 92703)	

I.
INTRODUCTION.

- 1.1 Parties. The California Environmental Protection Agency, Department of Toxic Substances Control (DTSC) enters into this Cleanup Loans and Environmental Assistance to Neighborhoods (CLEAN) Program Response Action Agreement (Agreement) with Greve Financial Services, Inc. (Borrower).
- 1.2 Property. This Agreement applies to the property located at 8915 Sorensen Avenue, Santa Fe Springs, California, 90670-2638. The Property consists of approximately 1.9 acres and is identified by Assessor's Parcel number 8168-012-001 3. A diagram of the Property and a location map are attached as Exhibit A and Exhibit B.
- 1.3 Jurisdiction. This Agreement is entered into by DTSC and Borrower pursuant to Health and Safety Code (H&SC) section 25355.5(a)(1)(C) and section 25395.25(b).
 - 1.3.1 H&SC section 25355.5(a)(1)(C) authorizes DTSC to enter into an enforceable agreement with Borrower to oversee the characterization and cleanup of a Property.
 - 1.3.2 H&SC section 25395.25(b) requires that the recipient of a loan under the CLEAN Program enter into an agreement with DTSC for the oversight and approval of response actions at the Property.
- 1.4 Purpose. Borrower has applied for a loan from the CLEAN Account. Borrower must enter into an agreement with DTSC for the oversight and approval of response actions at the Property as a condition of the loan.

The purpose of this Agreement is for Borrower to perform all actions necessary to respond to the release or threatened release of hazardous materials at the Property, subject to the oversight and approval of DTSC.

II. BACKGROUND

- 2.1 Ownership. The Property is owned by Greve Financial Services, Inc.
- 2.2 Substances Found at the Property. Reports, containing the results of environmental media sampling conducted at the Property, indicate that the subsurface soil is contaminated with hazardous materials, including acetone, benzene, 2-butanone (Methyl Ethyl Ketone [MEK]), 1,1-dichloroethane (1,1-DCA), 1,1-dichloroethene (1,1-DCE), ethylbenzene, methylene chloride, 4-methyl-2-pentanone (methyl isobutyl ketone [MIBK]), tetrachloroethene (PERC), toluene, 1,1,1-trichloroethane (1,1,1-TCA), trichloroethene (TCE), and xylenes. In the ground water samples, eight different volatile compounds, which are also hazardous materials, were identified. They include benzene, 1,1-dichloroethane (1,1-DCA), toluene, xylenes, tetrachloroethene (PERC), 1,1-dichloroethene (1,1-DCE), 1,1,1-trichloroethane (1,1,1-TCA), and trichloroethene (TCE). The Preliminary Endangerment Assessment (PEA) (hereinafter referred to as PEA) or equivalent documents indicate that response actions are needed at the Property.
 - 2.2.1 Benzene is a known human carcinogen. Acute poisoning from benzene exposure has an affect on the human Central Nervous System. Benzene poisoning can occur through inhalation of vapors and absorption through the skin.
 - 2.2.2 Trichloroethylene (TCE) is a possible human carcinogen, causes reproductive and tumorigenic affects and is a strong skin and eye irritant. Chronic exposure to TCE can cause irreparable damage to the liver and other organs. Exposure can occur through ingestion, respiration, and absorption through the skin.
 - 2.2.3 Tetrachloroethene (PERC) is a possible human carcinogen and a skin and eye irritant. Exposure to PERC can cause damage to the central nervous system and the liver. Exposure can occur through ingestion, inhalation, and absorption through the skin.
 - 2.2.4 Population at Risk. The Property is located within a half a mile radius of an industrial commercial area. The workers/employees will be the initial population exposed to any air borne emissions. Exposure can occur through ingestion, inhalation, and absorption through the skin. See also paragraph 2.3.1.
 - 2.2.5 The nearest school is within a mile from the site. There are several schools within two miles of the site.
 - 2.2.6 Two churches are located within a mile and half of the site.

- 2.2.7 There are several parks within two miles of the site.
- 2.3 Routes of Exposure. The routes of exposure from the constituents in the soil and ground water are from inhalation, ingestion, and dermal pathways.
- 2.3.1 The population (identified in paragraph 2.2.4) and/or the environment is potentially at risk of being exposed to the soil and ground water contaminants. The air borne soil contaminants are a potential risk to the surrounding community of up to a half mile. The Gage aquifer is the closest upper aquifer to the site and would be the first aquifer affected by the ground water contaminants. The Gage aquifer merges with the Hollydale aquifer northeast of the site (up gradient). The City of Santa Fe Springs has one production water (drinking) well in the Hollydale aquifer, which is located approximately nine miles south of the site (down gradient). In addition, the City of Santa Fe Springs has two deeper production water (drinking) wells. One well is approximately a half mile north of the site and is drawing water from the Silverado and Sunnyside aquifers (lower than the Gage and Hollydale aquifers). The other well is approximately two miles west of the site and is drawing water from the Silverado aquifer. The water quality data from samples of the two wells have indicated the presence of TCE and PCE constituents in the ground water. There exists a possible inter-connection between the upper and lower aquifers due to the geological characteristics.
- 2.3.2 The substances, described above, are "hazardous materials" as defined by H&SC, section 25395.20.
- 2.3.3 The Borrower is a responsible person or party as defined by H&SC, sections 25319, 25260, and 25385.1(g).
- 2.3.4 The past, present and potential migration of hazardous substances from the site into the soil and ground water constitutes an actual or threatened "release" as defined in H&SC, section 25320.
- 2.4 Physical Description.
The Property is on an approximately 1.9 acre parcel of land located in an industrial portion of the city of Santa Fe Springs. The Property generally slopes to the Southwest in a direction towards the Southern Pacific Transportation Railroad tracks.
The Property is in a predominantly industrial area, and is bounded on the east by Sorensen Avenue, on the northwest by Air Liquide Corporation, on the north by Plastall Metals Corporation, and on the south by a Southern Pacific Railroad easement and, across the easement, the McKesson Chemical Company.

2.5 Property History.

Angeles Chemical Company (ACC) leased the Property beginning on or about January 1976 to operate a chemical distribution business. Prior to May 1975, the Property was owned by Southern Pacific Transportation Company (SPTC) and used as an agricultural field to grow strawberries. L.R. & B., a joint venture, purchased the Property from SPTC in or about May 1975 and in January 1976 ACC leased the Property and began repackaging petroleum solvents and chemicals into various size containers for resale to their customers. Angeles Chemical Company, Inc., L.R. & B., and various individuals are subject to Imminent and/or Substantial Endangerment Order, Docket No. I&S/E 92/93-012, issued by DTSC on February 10, 1993, which requires certain remedial/removal actions to address the release or threatened release of hazardous substances on the Property. Borrower is the current Property owner as of February 5, 2001. Chemical repackaging operations were discontinued on or about November 30, 2000 and the Property currently is unoccupied. Structures on the Property include two office buildings with an attached laboratory and a large steel frame canopy structure.

III.
AGREEMENT

- 3.0 IT IS HEREBY AGREED THAT DTSC will provide review and oversight of the response activities conducted by the Borrower in accordance with the Scope of Work contained in Exhibit C. The Borrower shall conduct the activities in the manner specified herein and in accordance with the schedule specified in Exhibit D. All work shall be performed consistent with H&SC section 25300 et seq., as amended; the National Contingency Plan (40 Code of Federal Regulations (CFR) Part 300), as amended; U.S. EPA and DTSC Superfund guidance documents regarding site investigation and remediation. Where applicable, work shall also be performed consistent with Chapter 6.5, Division 20 of the H&SC (commencing with Section 25100).
- 3.1 Scope of Work and DTSC Oversight. DTSC shall review and provide Borrower with written comments on all Borrower deliverables as described in Exhibit C (Scope of Work) and other documents applicable to the scope of the project. DTSC shall provide oversight of field activities, including sampling and remedial activities, as appropriate. DTSC's completion of activities described above shall constitute DTSC's complete performance under this Agreement.

- 3.2 Agreement Managers. Sayareh Amir, Chief, Southern California Cleanup Operations - Glendale Office is designated by DTSC as its Manager for this Agreement. Joseph Kennedy, Manager, Greve Financial Services, Inc. is assigned by Borrower as Manager for this Agreement. Each Party to this Agreement shall provide at least ten (10) days advance written notice to the other of any change in its designated manager.
- 3.3 Notices and Submittals. All notices, documents and communications required to be given under this Agreement, unless otherwise specified herein, shall be sent to the respective parties at the following addresses in a manner that produces a record of the sending of the notice, document or communication such as certified mail, overnight delivery service, facsimile transmission or courier hand delivery service:
- 3.3.1 To DTSC:
Sayareh Amir, Chief
Attn: Ryan Kinsella
Southern California Cleanup Operations – Glendale Office
Site Mitigation Program
Department of Toxic Substances Control
1011 North Grandview Avenue
Glendale, California 91201-2205
- 3.3.2 To the Borrower:
Joseph Kennedy, Manager
Greve Financial Services, Incorporated
4521 West First Street
Santa Ana, California 92703-3101
- 3.4 DTSC Review and Approval. If DTSC determines that any report, plan, schedule or other document submitted for approval pursuant to this Agreement fails to comply with this Agreement or fails to protect public health and safety or the environment, DTSC may (a) Return comments to Borrower with recommended changes; or (b) Modify the document as deemed necessary and approve the document as modified.
- 3.5 Communications. All DTSC approvals and decisions made regarding submittals and notifications will be communicated to Borrower in writing by DTSC's Agreement Manager or his/her designee. No informal advice, guidance, or suggestions or comments by DTSC regarding reports, plans, specifications, schedules or any other writings by Borrower shall be construed to relieve Borrower of the obligation to obtain such written approvals.

- 3.6 Endangerment During Implementation. In the event DTSC determine that any activity (whether or not pursued in compliance with this Agreement) may pose an imminent or substantial endangerment to the health and safety of people on the Property or in the surrounding area or to the environment, DTSC may order Borrower to stop further implementation of this Agreement for such period of time as may be needed to abate the endangerment.
- 3.7 Liability for Costs. Borrower is liable for all of DTSC's costs that have been incurred in taking response actions at the Property (including costs of overseeing response actions performed by the Borrower and costs to be incurred in the future).
- 3.7.1 Response Actions Subject to the CLEAN Loan and to this Agreement. Notwithstanding Borrower's liability for DTSC's costs, Borrower is not responsible for paying DTSC's costs associated with the oversight of response actions at the Property that are subject to the CLEAN Loan and this Agreement if DTSC determines that there are sufficient funds in the CLEAN Account established pursuant to HSC section 25395.20(b) (Account) to reimburse DTSC for its oversight costs. If DTSC determines that the Account has insufficient funds to pay for the costs associated with the oversight of response actions subject to the CLEAN Loan and this Agreement, Borrower shall pay DTSC for its oversight costs. DTSC will notify Borrower upon making a determination that the Account has insufficient funds to pay oversight costs and will bill Borrower for all DTSC's oversight costs that are not reimbursed from the CLEAN Account.
- 3.7.2 Response Actions Not Subject to the CLEAN Loan but Subject to this Agreement. If the Borrower performs response actions on the Property that are not subject to the CLEAN loan but are subject to this Agreement, the Borrower shall pay DTSC for all of DTSC's costs associated with those response actions. If the Borrower performs response actions under this Agreement on a portion of the Site that is not the Property, the Borrower shall pay DTSC for all of DTSC's costs associated with the response actions, unless DTSC determines the response actions are necessary to respond to the release or threatened release at the Property. Response actions performed on the Property but not subject to the CLEAN loan, and response actions performed on a portion of the Site that is not the Property, shall also be included in Exhibit C. Exhibit C shall be modified to reflect those activities.

- 3.7.3 Payment of Costs. DTSC may bill Borrower for costs incurred in taking response actions at the Property prior to the effective date of this Agreement. DTSC will bill Borrower quarterly for its response costs incurred after the effective date of this Agreement for those response actions not addressed by the CLEAN Loan but subject to this Agreement, if applicable. In addition, in the event that DTSC determines that funds in the Account are insufficient, as outlined in Section 3.7, DTSC will bill Borrower quarterly for its response costs incurred after the effective date of this Agreement. Borrower shall pay DTSC within sixty (60) days of receipt of any DTSC billing. Any billing not paid within sixty (60) days is subject to interest calculated from the date of the billing pursuant to H&SC section 25360.1. All payments made by Borrower pursuant to this Agreement shall be by cashier's or certified check made payable to "DTSC," and shall bear on the face, the project code of the Property (Property 306001) and the Docket number of the Agreement. Payments shall be sent to:

Department of Toxic Substances Control
Accounting/Cashier
P.O. Box 806
Sacramento, California 95812-0806

A photocopy of all payment checks shall also be sent to the person designated by DTSC to receive submittals under this Agreement.

- 3.8 Project Coordinator. The work performed pursuant to this Agreement shall be under the direction and supervision of a qualified project coordinator with expertise in hazardous materials site cleanup. Borrower shall submit: a) the name and address of the project coordinator; and b) in order to demonstrate expertise in hazardous materials site cleanup, the resume of the coordinator. Borrower shall promptly notify DTSC of any change in the identity of the Project Coordinator. All engineering and geological work shall be conducted in conformance with applicable state law, including but not limited to, Business and Professions Code sections 6735 and 7835.


- 3.9 Access. Borrower shall provide or obtain access to the Property and offsite areas to which access is necessary to implement this Agreement. Such access shall be provided to DTSC's employees, contractors, and consultants at all reasonable times. Nothing in this paragraph is intended or shall be construed to limit in any way the right of entry or inspection that DTSC or any other agency may otherwise have by operation of any law. DTSC and its authorized representatives shall have the authority to enter and move freely about all property at the Property at all reasonable times for purposes including, but not limited to: inspecting records, operating logs, sampling and analytical data, and contracts relating to this Property; reviewing the progress of Borrower in carrying out the terms of this Agreement; conducting such tests as DTSC may deem necessary; and verifying the data submitted to DTSC by Borrower.
- 3.10 Sampling, Data and Document Availability. When requested by DTSC, Borrower shall make available to DTSC, and shall provide copies of, all data and information concerning contamination at the Property, including technical records and contractual documents, sampling and monitoring information and photographs and maps, whether or not such data and information was developed pursuant to this Agreement.
- 3.11 Notification of Field Activities. Borrower shall inform DTSC at least seven (7) days in advance of all field activities pursuant to this Agreement and shall allow DTSC and its authorized representatives to take duplicates of any samples collected by Borrower pursuant to this Agreement.
- 3.12 Notification of Environmental Condition. Borrower shall notify DTSC's Agreement Manager immediately upon learning of any condition posing an immediate threat to public health and safety or the environment. Within seven (7) days of the onset of such a condition, Borrower shall furnish a report to DTSC, signed by Borrower's Agreement Manager, setting forth the events which occurred and the measures taken in the response thereto.
- 3.13 Preservation of Documentation. Borrower shall maintain a central repository of the data, reports, and other documents prepared pursuant to this Agreement. All such data, reports and other documents shall be preserved by Borrower for a minimum of six (6) years after the conclusion of all activities carried out under this Agreement. If DTSC requests that some or all of these documents be preserved for a longer period of time, Borrower shall either comply with that request, deliver the documents to DTSC, or permit DTSC to copy the documents prior to destruction. Borrower shall notify DTSC in writing at least ninety (90) days prior to the expiration of the six year minimum retention period before destroying any documents prepared pursuant to this Agreement.


If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the six-year period, the related records shall be retained until the completion and resolution of all issues arising therefrom or until the end of the six-year period, whichever is later.

- 3.14 Amendments. This Agreement may be amended or modified solely upon written consent of all parties. Such amendments or modifications may be proposed by any party and shall be effective the third business day following the day the last party signing the amendment or modification sends its notification of signing to the other party. The parties may agree to a different effective date.
- 3.15 Exhibits. All exhibits attached to this Agreement are incorporated herein by this reference.
- 3.16 Time Periods. Unless otherwise specified, time periods begin from the date this Agreement is fully executed, and "days" means calendar days. "Business days" means all calendar days that are not weekends or official State holidays.
- 3.17 Borrower Liabilities. Nothing in this Agreement shall constitute or be considered a satisfaction or release from liability for any condition or claim arising as a result of Borrower's past, current, or future operations. Nothing in this Agreement is intended or shall be construed to limit the rights of any of the parties with respect to claims arising out of or relating to the deposit or disposal at any other location of substances removed from the Property.
- 3.18 Government Liabilities. The State of California (State) shall not be liable for any injuries or damages to persons or property resulting from acts or omissions by the Borrower or by related parties in carrying out activities pursuant to this Agreement, nor shall the State be held as a party to any contract entered into by the Borrower or its agents in carrying out the activities pursuant to this Agreement.
- 3.19 Third Party Actions. In the event that Borrower is a party to any suit or claim for damages or contribution relating to the Property to which DTSC is not a party, Borrower shall notify DTSC in writing within ten (10) days after service of the complaint in the third-party action.
- 3.20 Reservation of Rights. DTSC and Borrower reserve the following rights:
- 3.21 Nothing in this Agreement is intended or shall be construed to limit or preclude DTSC from taking any action authorized by law or equity to protect public health and safety or the environment and recovering the costs thereof.

- 3.21.1 Nothing in this Agreement shall constitute or be construed as a waiver of Borrower's rights, (including any covenant not to sue or release) with respect to any claim, cause of action, or demand in law or equity that Borrower may have against any "person", as defined in Section 101(21) of CERCLA, or H&SC section 25319, that is not a signatory to this Agreement.
- 3.21.2 By entering into this Agreement, Borrower does not admit to any fact, fault or liability under any statute or regulation.
- 3.22 Compliance with Applicable Laws. Nothing in this Agreement shall relieve the Borrower from complying with all applicable laws and regulations, and the Borrower shall conform all actions required by this Agreement with all applicable federal, state and local laws and regulations.
- 3.23 California Law. This Agreement shall be governed, performed and interpreted under the laws of the State of California.
- 3.24 Severability. If any portion of this Agreement is ultimately determined not to be enforceable, that portion will be severed from the Agreement and the severability shall not affect the enforceability of the remaining terms of the Agreement.
- 3.25 Parties Bound. This Agreement applies to and is binding, jointly and severally, upon each signatory and its officers, directors, agents, receivers, trustees, heirs, executors, administrators, successors, and assigns, and upon any successor agency of the State of California that may have responsibility for and jurisdiction over the subject matter of this Agreement. No change in the ownership or corporate or business status of any signatory, or of the facility or Property shall alter any signatory's responsibilities under this Agreement.
- 3.26 Effective Date. The effective date of this Agreement is the date when this Agreement is fully executed.
- 3.27 Representative Authority. Each undersigned representative of the parties to this Agreement certifies that she or he is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind the parties to this Agreement.

- 3.28 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one and the same document.

 Date: 12/10/01
Sayareh Amir, Chief
Southern California Cleanup Operations - Glendale Office
Site Mitigation Program
Department of Toxic Substances Control

 Date: 11-26-2001
Joseph Kennedy, Manager
Greve Financial Services, Inc.

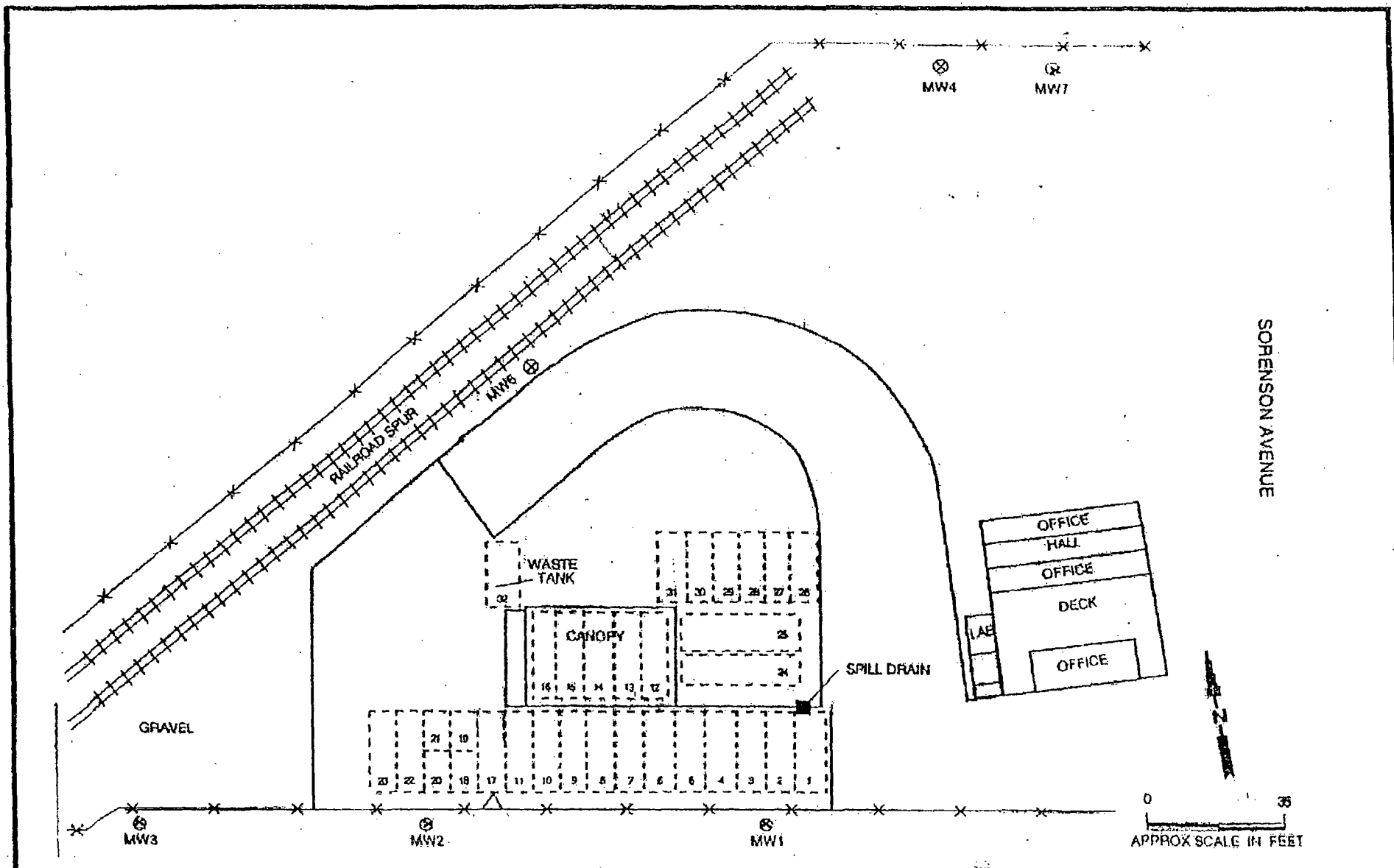
EXHIBITS

A - PROPERTY DIAGRAM

B - PROPERTY LOCATION MAP

C - SCOPE OF WORK

D - CALENDAR OF TASKS AND SCHEDULE



Taken from SCS Report

Blakely Environmental
Investigations, Inc.
P.O. Box 339
Wrightwood, CA

SCS WELL LOCATIONS

Angeles Chemical Company
8915 Sorensen Avenue
Santa Fe Springs, CA

Exhibit A

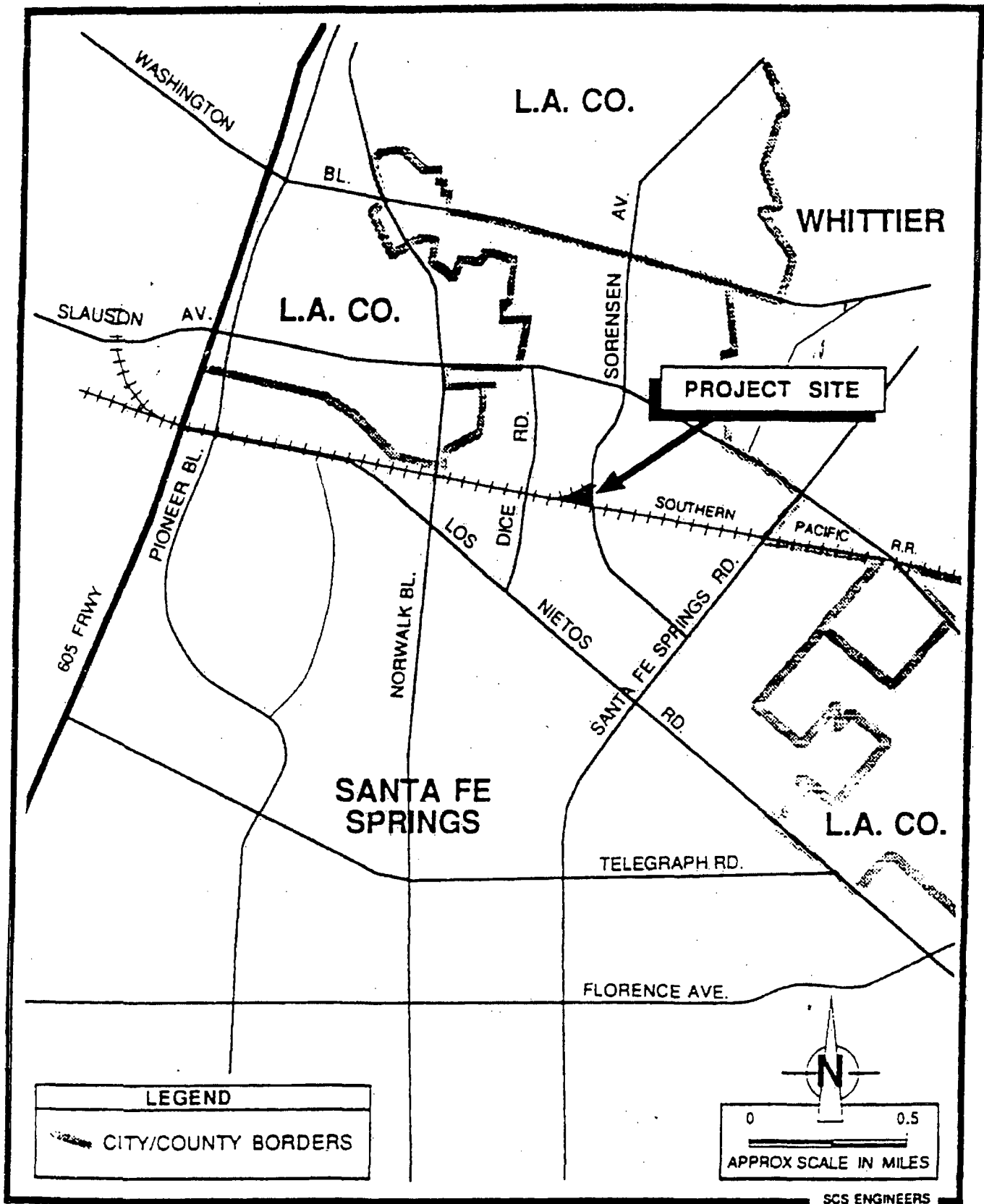


Exhibit B Map Showing Location of Angeles Chemical Project Site.

EXHIBIT C SCOPE OF WORK

The following Tasks will be completed as part of this Agreement:

TASK 1.

Submittal of Existing Data. Borrower shall submit to DTSC all background information, sample analysis results, environmental assessment reports, and any other information pertinent to the hazardous material management and/or release, characterization and Cleanup of the Property. DTSC will review the information, identify areas and media of concern, and determine the additional work, if any, required to complete the investigation/remediation of the Property.

TASK 2.

Review of Property Remediation. DTSC will review data and reports submitted by Borrower to determine if remediation conducted without DTSC oversight was protective of human health and the environment. The information submitted by Borrower will be reviewed for conformance with DTSC standards for quality assurance/quality control, Property investigations, and Property remediation. Subsequent to its review, DTSC will either issue comments to Borrower describing deficiencies of the remediation or make a determination that No Further Action is required at the Property.

TASK 3.

Sampling and Analysis

- 3.1 Sampling and Analysis Workplan. Borrower shall submit a workplan that describes the activities proposed to characterize soil and groundwater contamination associated with the site. The workplan shall also include a Site health and safety plan, quality assurance/quality control plan, sampling plan, and implementation schedule.
- 3.2 Borrower shall begin implementation of the approved workplan in accordance with the approved implementation schedule. DTSC may provide oversight of workplan implementation.

TASK 4.

Remedial Investigation/Feasibility Study (RI/FS). The RI/FS for ground water beneath the Property shall be conducted consistent with the U.S. Environmental Protection Agency's Interim Final Guidance for Conducting Remedial Investigations and Feasibility Studies under CERCLA," October 1988, (EPA/540-G-89/004).

4.1 Remedial Investigation/Feasibility Study Objectives

The objectives of the RI/FS are to:

- (a) Characterize the extent of hazardous materials contamination at the Property;
- (b) Identify existing and potential migration pathways, including the direction, rate and dispersion of contaminant migration;
- (c) Analyze the baseline human health risks to help determine the need for action at the Property;
- (d) Determine levels of chemicals that can remain onsite and still be adequately protective of human health; and
- (e) Evaluate feasible remedial alternatives.

4.2 Remedial Investigation/Feasibility Study Workplan

Borrower shall prepare an RI/FS Workplan that will include:

- 4.2.1 Sampling and Analysis Workplan. Borrower shall submit a workplan that describes the activities proposed to characterize soil and groundwater contamination associated with the Property. The workplan shall also include a Property health and safety plan, quality assurance/quality control plan, sampling plan, and implementation schedule.
- 4.2.2 Quality Assurance/Quality Control (QA/QC) Plan. All sampling and analysis conducted by Borrower under this Agreement shall be performed in accordance with a QA/QC Plan submitted by Borrower and approved by DTSC. The QA/QC Plan shall describe:
 - (a) the procedures for the collection, identification, preservation and transport of samples;
 - (b) the calibration and maintenance of instruments;
 - (c) the processing, verification, storage and reporting of data, including chain of custody procedures and identification of qualified person(s) conducting the sampling and of a laboratory certified or approved by DTSC pursuant to H&SC section 25198; and
 - (d) how the data obtained pursuant to this Agreement will be managed and preserved in accordance with the Preservation of Documentation section 3.13 of this Agreement.

4.2.3 Health and Safety Plan. Borrower shall submit a Site Health and Safety Plan in accordance with California Code of Regulations, Title 8, section 5192 and DTSC guidance, which covers all measures, including contingency plans, that will be taken during field activities to protect the health and safety of the workers at the Site and the general public from exposure to hazardous waste, substances or materials. The Health and Safety Plan shall describe the specific personnel, procedures and equipment to be utilized.

4.2.4 Implementation schedule. Borrower shall submit a schedule for each of the planned activities necessary to complete the RI/FS.

4.2.5 Borrower shall begin implementation of the approved workplan in accordance with the approved implementation schedule. DTSC may provide oversight of workplan implementation.

4.3 Remedial Investigation Report.

Borrower shall prepare a Remedial Investigation (RI) report that summarizes the results of the remedial investigation, including reduction, presentation and interpretation of all data and information generated and/or compiled during the remedial investigation. The RI report shall contain:

- (a) Property Background Information, including Physical Characteristics and Property History;
- (b) Sources of Contamination;
- (c) Summary of Investigation, discuss all media investigated (i.e., Soil, Geology, Groundwater, Surface Water, Air, Biota);
- (d) Nature and Extent of Contamination.

4.4 Baseline Human Health and Ecological Risk Assessment. A scoping meeting shall be held to discuss how the risk assessment will be conducted for this Property. Borrower shall conduct human health and ecological risk assessments for the Property that meet the requirements of H&SC section 25356.1.5(b). Borrower shall submit a Baseline Human Health and Ecological Risk Assessment Report within thirty days of submittal of the RI Report. The report shall be prepared consistent with U.S. EPA and DTSC guidance and regulations, including as a minimum: Risk Assessment Guidance for Superfund, Volume 1; Human Health Evaluation Manual, December 1989; Superfund Exposure Assessment Manual, April 1988 or as amended; Risk Assessment Guidance for Superfund, Volume 2, Environmental Evaluation Manual, March 1989 or as amended; and all other related or relevant policies, practices and guidelines of the California Environmental Protection Agency and policies, practices and guidelines developed by U.S. EPA pursuant to 40 CFR 300.400 et seq. The Baseline Human Health and Ecological Risk Assessment Report shall include the following components:

- (a) Contaminant Identification. Characterization data shall identify contaminants of concern for the risk assessment process.
- (b) Environmental Evaluation. An ecological assessment consisting of:
 - (1) Identification of sensitive environments and rare, threatened, or endangered species and their habitats; and
 - (2) As appropriate, ecological investigations to assess the actual or potential effects on the environment and/or develop remediation criteria.
- (c) Exposure Assessment. The objectives of an exposure assessment are to identify actual or potential exposure pathways, to characterize the potentially exposed populations, and to determine the extent of the exposure. Exposed populations may include industrial workers, residents, and subgroups that comprise a meaningful portion of the general population, including, but not limited to, infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations, that are identifiable as being at greater risk of adverse health effects due to exposure to hazardous materials than the general population.
- (d) Toxicity Assessment. Borrower shall evaluate the types of adverse health or environmental effects associated with individual and multiple chemical exposures; the relationship between magnitude of exposures and adverse effects; and related uncertainties such as the weight of evidence for a chemical's potential carcinogenicity in humans.
- (e) Risk Characterization. Risk characterization shall include the potential risks of adverse health or environmental effects for each of the exposure scenarios derived in the exposure assessment.

4.5 Feasibility Study Report.

Borrower shall prepare a Feasibility Study (FS) report for the Property that summarizes the results of the FS, including the following:

- (a) Description of the Current Situation;
- (b) Description of Remedial Action Technologies;
- (c) Screening of Remedial Action Technologies;
- (d) Analysis of Remedial Action Alternatives;
- (e) Recommended Remedial Action.

TASK 5.

Removal Actions. Borrower shall undertake removal actions, if DTSC determines that they are necessary to mitigate the release of hazardous materials at or emanating from the Property. DTSC may require Borrower to submit a workplan that includes an implementation schedule for DTSC's approval. A removal action workplan (Task 6) may be required. Either DTSC or Borrower may identify the need for removal actions.

Workplans for implementing the following removal actions shall be submitted as agreed upon by DTSC and Borrower.

- 1) Borrower shall maintain the existing fence enclosing the entire Property. which shall secure, at a minimum, the areas specified on the Property map (Exhibit A).
 - 2) Borrower shall maintain posted signs in accordance with the specifications listed in H&SC section 25359.5 which are visible from the area surrounding the contaminated Property and posted at each route of entry into the Property, including those routes likely to be used by unauthorized persons.
 - 3) The fence and signs shall be constructed of materials able to withstand the elements and shall be continuously maintained for as long as DTSC determines it to be necessary in order to protect public health and safety and the environment.
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- (a) Drainage Control. Borrower shall collect and analyze samples of stormwater discharge from the Site during the first storm event of each year, beginning with the wet season of 2001 through 2002, and all results shall be submitted to DTSC. If hazardous materials are found to be in the stormwater runoff at levels harmful to public health and safety or the environment, a storm water control plan and storm water monitoring program will be required.
 - (b) Containerized Waste Removal. Borrower shall ensure all investigation derived wastes are analyzed for the presence of hazardous materials and properly disposed of.
 - (c) Quarterly Groundwater Monitoring. Borrower shall conduct quarterly monitoring of all groundwater wells on the Site. Acceptable procedures and protocols shall be demonstrated in a Sampling and Analysis Plan (SAP) prepared for the ongoing quarterly monitoring at the Site. The SAP shall be submitted to DTSC for approval prior to commencement of work.
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- 1) Ground water monitoring shall be conducted at the Site on a quarterly basis. At a minimum, quarterly monitoring shall be continued at least until the remedial action for ground water is terminated. Monitoring may be continued after remedial activities are completed, as determined by DTSC, depending on site conditions at that time.
 - 2) Quarterly ground water monitoring shall consist of measuring water levels and free product thickness in all on-site monitoring wells existing at the time of sampling.

Product thickness shall be measured with an interface probe rather than by measuring product thickness in an extracted bailer. Indication of free product shall indicate whether the product is light non-aqueous phase liquid (LNAPL) or dense non-aqueous phase liquid (DNAPL).

- a) Free product, if present shall be sampled and analyzed to determine its constituent concentrations.
- b) Dissolved Volatile Organic Compounds (VOCs) shall be analyzed in all wells sampled without free product. Dissolved metals shall be tested in all wells. VOCs shall be analyzed by U.S. EPA Method 8260B including tentatively identified compounds (TIC's). Dissolved metals shall be analyzed by U.S. EPA methods 6000/7000 series as appropriate.
- c) Purging may be done by three well-volume purge method or by alternate methods such as low-flow purging or polyethylene diffusion bag (PDB) sampling method (for VOCs only), at DTSC Project Manager's discretion. DTSC will provide information, advantages and disadvantages of these alternative sampling methods on request.
- d) Quarterly reports shall be submitted to DTSC within thirty (30) days at the end of the calendar quarter. The reports shall include well gauging information, map(s), purging records, ground water level, product presence/thickness information, a discussion of sampling activities, a summary table of ground water testing results for the subject quarter, historic data, and analytical laboratory results with all appropriate quality assurance/quality control information included.
- k) Monthly Activity Reports. Within thirty (30) calendar days of the effective date of this Agreement and monthly thereafter, Borrower shall submit a Monthly Activity Report of its activities under the provisions of this Agreement. The Monthly Activity Report shall describe:
 - (1) The specific actions taken by or on behalf of the Borrower during the previous month;
 - (2) The actions expected to be undertaken during the current month;
 - (3) All planned activities for the following month;
 - (4) Any requirements under this Agreement that were not completed;

- (5) Any problems or anticipated problems in complying with this order; and
- (6) A summary of all results of sample analyses, tests and other data generated or received by the Borrower under this Agreement. The Monthly Activity Report shall be received by DTSC no later than ten (10) days after the reporting month ends.

TASK 6.

Removal Action Workplan. If DTSC determines a removal action is appropriate, Borrower shall prepare a Removal Action Workplan (RAW) in accordance with H&SC sections 25323.1 and 25356.1. The RAW shall include:

- (a) a description of the onsite contamination;
- (b) the goals to be achieved by the removal action;
- (c) an analysis of the alternative options considered and rejected and the basis for that rejection. This should include a discussion for each alternative that covers its effectiveness, implementability and cost;
- (d) administrative record list; and
- (e) a statement that the RAW serves as an equivalent document to the Engineering Evaluation/Cost Analysis document required by the National Contingency Plan.

If the proposed removal action does not meet the requirements of H&SC section 25356.1(h), Borrower shall prepare a Remedial Action Plan (RAP) in accordance with H&SC section 25356.1(c) for DTSC review and approval.

TASK 7.

Remedial Action Plan. If DTSC determines the final remedy cannot be implemented under a RAW, Borrower shall prepare a RAP in accordance with the standards and requirements set forth in H&SC section 25356.1. The RAP is based on the approved RI and FS Reports and sets forth in detail appropriate steps to remedy soil, surface water and groundwater contamination at the Property and adjacent areas. In addition, the RAP shall contain a schedule for implementation of all proposed removal and remedial actions.

TASK 8.

California Environmental Quality Act (CEQA). Based on the results of the draft Initial Study, DTSC will prepare the necessary CEQA documents. If required, Borrower shall submit the information necessary for DTSC to prepare these documents.

TASK 9.

Remedial Design and Implementation Plan. Borrower shall prepare and submit a Remedial Design and Implementation Plan (RDIP) in accordance with the agreed upon schedule contained in the approved RAP. The RDIP shall contain:

- (a) technical and operational plans and engineering designs for implementation of the approved remedial or removal action alternative(s);
- (b) a schedule for implementing the construction phase;
- (c) a description of the construction equipment to be employed;
- (d) a site specific hazardous waste transportation plan (if necessary);
- (e) the identity of any contractors, transporters and other persons conducting the removal and remedial activities for the Property;
- (f) post-remedial sampling and monitoring procedures for air, soil, surface water and groundwater;
- (g) operation and maintenance procedures and schedules; and
- (h) a health and safety plan.

TASK 10.

Implementation of Final Removal Action Workplan. Upon DTSC approval of the final RAW, Borrower shall implement the removal action, as approved. Within thirty (30) days of completion of field activities, Borrower shall submit an Implementation Report documenting the implementation of the final RAW.

TASK 11.

Implementation of Final RAP. Upon DTSC approval of the RDIP and schedule, Borrower shall implement the final RAP as approved in accordance with the approved RDIP and schedule.

TASK 12.

Changes During Implementation of the Final RAP/RAW. During implementation of the final RAW or RAP and RDIP, DTSC may specify such additions, modifications and revisions to the RAW or RDIP as deemed necessary to protect human health and safety or the environment or to implement the RAW or RAP.

TASK 13.

Public Participation/Community Relations.

- 13.1 Borrower shall work cooperatively with DTSC in providing an opportunity for meaningful public participation in response actions. Any such public participation activities shall be conducted in accordance with H&SC sections 25356.1 and 25358.7 and DTSC's most current Public Participation Policy and Guidance Manual, and shall be subject to DTSC's review and approval.
- 13.2 Borrower, in coordination with DTSC, shall conduct a baseline community survey and develop a Public Participation Plan (PPP) which describes how, under the Agreement, the public and adjoining community will be kept informed of activities conducted at the Property and how Borrower will be responding to inquiries from concerned citizens. Major steps in developing a PPP are as follows:
 - (a) Develop proposed list of interviewees;
 - (b) Schedule and conduct community interviews; and
 - (c) Analyze interview notes, and develop objectives.
- 13.3 Borrower, in coordination with DTSC, shall conduct the baseline community survey and submit the PPP for DTSC's review within [40] days of the effective date of this Agreement.
- 13.4 Borrower shall implement any of the public participation support activities identified in the PPP at the request of DTSC. DTSC retains the right to implement any of these activities independently. These activities include, but are not limited to, development and distribution of fact sheets; public meeting preparations; and development and placement of public notices.
- 13.5 Borrower shall develop and submit fact sheets to DTSC for review and approval when specifically requested by DTSC. Borrower shall be responsible for printing and distribution of fact sheets upon DTSC approval using the approved community mailing list.
- 13.6 Borrower shall publish, in a major local newspaper(s), a public notice announcing the availability of the RAP for public review and comment. The public comment period shall last a minimum of thirty (30) days.
- 13.7 DTSC may require that Borrower hold at least one public meeting to inform the public of the proposed activities and to receive public comments on the RAP.
- 13.8 Within two (2) weeks of the close of the public comment period, Borrower shall prepare and submit to DTSC a draft response to the public comments received.
- 13.9 If appropriate, Borrower shall revise the RAP on the basis of comments received from the public, and submit the revised RAP to DTSC for review and approval. Borrower shall also notify the public of any significant changes from the action proposed in the RAW/RAP.

TASK 14.

Land Use Restrictions. The parties agree that land use restrictions (also known as "deed restrictions") may be necessary to insure full protection of the environment and human health. If applicable, DTSC will require such land use restrictions in the Final RAW/RAP. Borrower agrees to sign and record the land use restrictions approved by DTSC. If Borrower is not the current landowner, Borrower agrees to secure recordation by the landowner of such land use restrictions approved by DTSC.

TASK 15.

Operation and Maintenance (O&M). Borrower shall comply with all operation and maintenance requirements in accordance with the final RAW, final RAP and/or RDIP. Borrower shall enter into an O&M Agreement, which includes financial assurance, with DTSC prior to certification of the Property.

TASK 16.

Discontinuation of Remedial Technology. Any remedial technology employed in implementation of the final RAP/RAW shall be left in place and operated by Borrower until and except to the extent that DTSC authorized Borrower in writing to discontinue, move or modify some or all of the remedial technology. DTSC may authorize Borrower to discontinue, move or modify some or all of the remedial technology if Borrower has met the criteria specified in the final RAW/RAP for its discontinuance, or if the modifications would better achieve the goals of the final RAW/RAP.

TASK 17.

Quality Assurance/Quality Control (QA/QC) Plan. All sampling and analysis conducted by Borrower under this Agreement shall be performed in accordance with a QA/QC Plan submitted by Borrower and approved by DTSC. The QA/QC Plan will describe:

- (a) the procedures for the collection, identification, preservation and transport of samples;
- (b) the calibration and maintenance of field instruments;
- (c) the processing, verification, storage and reporting of data, including chain of custody procedures and identification of qualified person(s) conducting the sampling and of a laboratory certified or approved by DTSC pursuant to H&SC section 25198; and
- (d) how the data obtained pursuant to this Agreement will be managed and preserved in accordance with the Preservation of Documentation section of this Agreement.

TASK 18.

Health and Safety Plan. Borrower shall submit a Site Health and Safety Plan in accordance with California Code of Regulations, Title 8, section 5192 and DTSC guidance, which covers all measures, including contingency plans, that will be taken during field activities to protect the health and safety of the workers at the Property and the general public from exposure to hazardous waste, substances or materials. The Health and Safety Plan shall describe the specific personnel, procedures and equipment to be utilized.

EXHIBIT D

Calendar of Tasks and Schedule

The Schedule begins on the date this agreement was signed by the DTSC Branch Chief

<u>TASK</u>	<u>SCHEDULE</u>
1. Identify Project Coordinator	Within 10 days from the date this Order is signed by DTSC
2. Identify Project Engineer/Geologist	Within 15 days from the date this Order is signed by DTSC
3. Attend Site Remediation Strategy Meeting	Within 30 days from the date this Order is signed by DTSC
4. Submit Monthly Summary Reports	Within 30 days from the date this Order is signed by DTSC
5. Complete Supplemental Soil Vapor Investigation	Within 45 days from the date this Order is signed by DTSC
6. Submit Ground Water sampling results	Quarterly Basis
7. Submit Work Plan for Ground Water RI	Within 75 days from the date this Order is signed by DTSC
8. Complete Supplemental Soil Sampling in North Rail Spur Area	Within 60 days from the date this Order is signed by DTSC
9. Submit Supplemental Soil Vapor Survey And Soil Matrix Sampling Results Report	Within 30 days from completion of field sampling activities
10. Submit Design Revisions for Soil Vapor Extraction System	Within 90 days from submittal of Soil vapor/Soil Matrix Sampling Results Report
11. Begin Soil Vapor Extraction	Within 30 days of DTSC approval of design revisions
12. Submit the RI Report for Ground Water	Per approved RI Work Plan schedule
13. Submit Baseline Human Health and Ecological Risk Assessment Report	Within 30 days from submittal of RI report

14. Complete FS for Ground Water	Within 60 days of completion of RI Report for Ground Water
15. Submit RAW/RAP for Ground Water	Within 90 days of completion of FS for Ground Water
16. Submit Remedial Design for Ground Water	Within 60 days after DTSC's approval of RAW/RAP
17. Submit Implementation Report	Within 30 days of completion of Ground Water remediation activities
18. Submit O&M Work Plan	Within 30 days of DTSC's request
19. Submit Remedial Action Review Work Plan	Within 30 days before end of five-year period
20. Submit Emergency Response Action Report	Within 7 days of an emergency response action
21. Provide copies of sampling, data, and documentation	Within 7 days of receipt of DTSC's request
22. Provide prior notice before conducting field sampling	Inform DTSC 7 days in advance of sampling
23. Maintain central depository of data, reports, documentation; and	Maintain central depository for a minimum of ten years after conclusion of all activities conducted pursuant to this Order
24. Provide prior written notice to DTSC before destroying any documentation prepared pursuant to this Order	At least six months prior to destroying any documents



Department of Toxic Substances Control



Winston H. Hickox
Agency Secretary
California Environmental
Protection Agency

Edwin F. Lowry, Director
1001 I Street, 25th Floor, P.O. Box 806
Sacramento, California 95812-0806

Gray Davis
Governor

August 30, 2001

Mr. Joseph Kennedy, Manager
Greve Financial Services, Inc.
Post Office Box 1684
Lomita, California 90717

Dear Mr. Kennedy:

The Department of Toxic Substances Control ("Lender") is pleased to notify you that it has approved your application for a CLEAN Loan ("Loan") for the amount of \$950,000. The Loan is subject to the terms and conditions set forth in this Commitment letter ("Commitment").

1. Borrower: Greve Financial Services, Inc., A California Corporation
2. Loan Amount/Security: The amount of the Loan shall be Nine Hundred and Fifty Thousand Dollars (\$950,000). The security for the Loan shall consist of a first deed of trust on commercial property located at 8915 Sorensen Avenue, Santa Fe Springs, California, 90717.
3. Term/Repayment: The Term of the Loan is amortized over a 30 year period with a **balloon payment** due in 5 years. The Loan repayment shall begin upon certification or completion of the response action or 2 years after disbursement of the Loan funds, whichever comes first. Payments on the loan shall consist of 59 monthly payments of principal and interest in the estimated amount of \$5,513 (\$66,156 estimated-annually) and one irregular last payment of \$889,304 (estimated). Borrower may repay the loan in full or make principal reduction payments over the term of the loan without any prepayment penalties. Interest will start accruing on the disbursed amount, commencing on the first disbursement date. If the Department determines that the Borrower is not making sufficient progress in completing the response action, the Department may require loan repayment to begin immediately.
4. Interest Rate: Interest on the principal balance of the Loan outstanding from the date of funding shall be at a fixed annual rate of five point seven three one percent (5.731%), and shall be computed on a 360 days per year basis and the actual number of days elapsed. Rate is determined by the Surplus Money Investment Fund (Government Code section 16475).

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Web-site at www.dtsc.ca.gov.

Mr. Joseph Kennedy
August 30, 2001
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5. Commitment Fee: On the Closing date, Borrower shall pay to Lender a loan fee ("Loan Fee") of zero percent (0%) of the Loan Amount.

6. Borrower's Costs: Borrower is responsible for all closing costs associated with the Loan. These costs could include, and are not limited to, appraisal fees, appraisal review fees, title and escrow charges, pre-paid interest and any and all other outside costs associated with the closing and funding of the loan.

7. Loan Documents: The Loan shall be made pursuant to the terms of a loan agreement ("Loan Agreement"), and promissory note ("Promissory Note"). Sample Loan Documents are available for your review upon your request. Lender's obligation to make the Loan shall be conditioned upon all Loan Documents being properly executed and satisfactory to Lender and Lender's counsel in Lender's sole discretion.

8. Terms of Commitment: Unless the Loan has closed, this Commitment shall expire on November 28, 2001.

9. Termination of Commitment: Lender reserves the right to cancel this Commitment and terminate its obligations hereunder at any time prior to its expiration upon the occurrence of any of the following events: (a) the failure of Borrower or any Guarantor to (1) comply with Lender's requests for information in connection with Lender's ongoing investigation of Borrower's business or credit, or (2) execute and deliver, in connection with the Loan, any documents deemed reasonably necessary and appropriate by Lender or Lender's counsel; or (b) the failure of Borrower or any Guarantor to disclose to Lender all information material to the making of the Loan and the security for the Loan, or the misrepresentation by Borrower of any material fact relating to any of the above or the business or financial condition of Borrower or of any Guarantor; or (c) any event, occurrence or circumstance which, in Lender's good faith opinion, would impair the ability of Borrower or Guarantor to perform under the terms of this Commitment or the Loan, including, but not limited to, any change deemed by Lender to be material, in the security for the Loan or in the business, assets, net worth, earnings, liquidity, or credit standing of Borrower or any Guarantor; or (d) the determination by Lender that the security for the Loan is inadequate or insufficient.

10. Entire Agreement: The Commitment supersedes any prior agreements, oral or written, between Lender and Borrower and any Guarantor, and contains the entire agreement between Lender and Borrower and any Guarantor with respect to the terms on which the Loan will be made. No subsequent agreement, representation or promise made by any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

Mr. Joseph Kennedy
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11. Indemnification: Borrower agrees to indemnify and hold Lender harmless from and against any and all claims, damages, liabilities, expenses and fees (including attorneys' fees) which may be incurred by or asserted against Lender and which arise out of or relate to this Commitment.

12. Conditions of Approval:

(a). The Borrower must comply and agree to the requirements established in Section(s) 68205, 68209, 68210, 68211 and 68213 of Title 22 of the California Code of Regulations.

(b). Unlimited personal guarantee(s) of Mr. Joseph E. Kennedy, Mrs. Valerie M. Kennedy and corporate guarantee(s) of Greve Financial Services, Inc. and USA Consolidators, Inc. d.b.a. Western Sandblasting Company.

(c). Phase I Environmental Site Assessment and or VISTA Real Estate Environmental Transaction Report and Preliminary Title Report on commercial property located at 8915 Sorensen Avenue, Santa Fe Springs, California.

(d). Executed Response Action Agreement.

(e). Annually submit the following documents:

- Fiscal year end corporate tax returns for Greve Financial Services, Inc. and USA Consolidators, Inc. d.b.a. Western Sandblasting Company.
- Fiscal year end financial statements for Greve Financial Services, Inc. and USA Consolidators, Inc. d.b.a. Western Sandblasting Company.
- Individual tax returns with all schedules and K-1's for Joseph E. & Valerie M. Kennedy due within 120 days of calendar year end, December 31st.
- Personal financial statement for Joseph E. & Valerie M. Kennedy due within 120 days of calendar year end, December 31st.

(f). Any other documentation that may be required prior to loan closing.

13. Reservation of Rights for Lender: Lender reserves all of its statutory and regulatory powers, authorities, rights and remedies, both legal and equitable, that may pertain to this commitment.

Mr. Joseph Kennedy

August 30, 2001

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Please signify your acceptance of the above terms and conditions by signing in the space provided below and returning the original Commitment Letter to the Department of Toxic Substances Control, CLEAN Loan Program, P.O. Box 806, Sacramento, California 95812-0806, Attention: Jeffrey L. Ingles, **on or before ninety (90) calendar days from the date hereof, or this Commitment will expire and be of no further force or effect on Lender.** Any extensions of the time in which you may accept this Commitment shall be made solely at Lender's option and must be in writing, signed by Lender.

Sincerely,



Bob Borzelleri

Chief Deputy Director

LENDER:

DEPARTMENT OF TOXIC SUBSTANCES CONTROL

ACCEPTED THIS 10th DAY OF September, 2001.

Joseph E. Kennedy
Manager

BORROWER:



GREVE FINANCIAL SERVICES, INC.